

E-002/M-94-730 ORDER APPROVING REVISED LIST OF INDEPENDENT WIND BID
EVALUATORS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Request by Northern States
Power Company for Approval of a Request for
Proposal to Supply 100 Megawatts of Wind
Generation Resources

ISSUE DATE: December 23, 1994

DOCKET NO. E-002/M-94-730

ORDER APPROVING REVISED LIST OF
INDEPENDENT WIND BID EVALUATORS

PROCEDURAL HISTORY

In Docket Nos. E-002/CI-93-6 (the "Competitive Bidding Docket") and E-002/RP-93-630 (the "Resource Plan Docket"), the Commission determined that Northern States Power Company (NSP or the Company) would use its competitive bidding process to acquire the 100 MW of wind generation that the Company sought to acquire in partial fulfillment of the requirements of the Prairie Island Statute, Minn. Laws 1994, Chapter 541.

On August 8, 1994, NSP filed its Request for Proposals (RFP) for 100 MW of Wind Generation in this matter. The Company explained that the need for expedited regulatory approval of the RFP had prevented it from fully assembling and submitting the list of evaluators at that time. The Company stated that it would file the list as soon as possible.

On October 11, 1994, NSP filed its proposed list of evaluators, a copy of the proposed contract, and a booklet compiling the credentials and experience of the evaluators proposed for inclusion on the list.

On October 13, 1994, the Commission met to consider the Company's proposed RFP. Because the list of evaluators and supporting documentation had only been submitted two days earlier, the Commission was unable to consider the proposed list and treat it in its subsequent October 21, 1994 Order approving the RFP.

On December 15, 1994, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

In its August 18, 1994 Order in the Bidding Docket (Docket No. E-002/CI-93-630), the Commission established a seven step bidding process and emphasized its review and oversight role in that process. Order at page 3. Of particular relevance to the matter at hand, the established process called for Commission approval of the list of evaluators *prior* to Company selection of an evaluator from that list. Step 2 states:

2. The Company will select an evaluator from the list approved by the public utility commissions in the various jurisdictions [in which it provides service]. Order at page 3.

Commission approval of the list of potential bid evaluators was intended as the Commission's

sole check on the qualifications of such evaluator.¹ Approval of the list would indicate that the Commission believed that each party on the list was qualified to perform the intended bid evaluation. Once the list was approved, the Company would have full authority to choose any party listed. Hence, the importance of the Commission reviewing the list before the Company selected an evaluator.

In this case, NSP did not follow that process. Instead, NSP has proceeded to select an evaluator from its proposed list of evaluator candidates prior to securing Commission approval of that list.

Nevertheless, the Commission does not believe that the Company's action has rendered the Commission's review of the list moot. Accordingly, the Commission has reviewed the Company's submitted list and will respond to it as it would have done had the Company not already selected an evaluator.

Based on its review, the Commission approves most of the firms appearing on NSP's proposed list. However, the Commission also finds that the record does not contain sufficient information to support inclusion of two of the firms appearing on NSP's proposed list. With respect to these two firms, HDR Engineering and Putnam, Hayes and Bartlett, Inc., the record does not adequately demonstrate their credentials and experience for this particular work. Therefore, the Commission will approve a list containing all the firms proposed by NSP except these two firms.

As it turns out, the party selected by NSP to serve as their independent evaluator is on the list that is now approved by the Commission.² Therefore, the Commission will not invalidate the Company's selection. The Commission does wish to express its concern at this incident, however, and would urge the Company to adhere closely to the remaining steps of that process.

ORDER

1. A list of independent wind bid evaluators containing all the firms proposed by Northern States Power Company (NSP) except HDR Engineering and Putnam, Hayes and Bartlett, Inc. is approved.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

¹ Step 3, Commission review of the Company's initial contract with the evaluator, focuses on the terms of the contract, not the choice or qualifications of the evaluator.

² In fact the selected firm (Reed Consulting Group) appears to have solid qualifications and experience for this work. This firm also has served one of the most diverse client bases of any firm on the list. In addition to independent power producers (IPPs), its clientele have included electric utilities (including municipal utilities), industrial customers, and regulatory agencies. The firm appears to have sufficient diversity of clientele to ensure its independence.